

## Message Text

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ACTION NEA-10

INFO OCT-01 AF-08 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07  
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06  
SSM-03 IO-13 AID-05 COME-00 EB-07 FRB-03 TRSE-00  
XMB-02 OPIC-03 CIEP-01 LAB-04 SIL-01 OMB-01 /107 W  
-----271838Z 001811 /53

R 271510Z DEC 76  
FM AMEMBASSY CAIRO  
TO SECSTATE WASHDC 037  
INFO AMCONSUL ALEXANDRIA  
AMEMBASSY JIDDA  
AMEMBASSY KHARTOUM  
AMCONSUL PORT SAID  
AMEMBASSY TRIPOLI

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EO 11652: NA  
TAGS: PINT, EG  
SUBJ: PEOPLE'S ASSEMBLY CONTINUES CRITICISM OF GOVT POLICY

REF (A) CAIRO 17706 (NOTAL), (B) CAIRO 17162 („NOTAL),

1. MOST ASPECTS OF NEW EGYPTIAN GOVT'S POLICY STATEMENT  
SUBJECT OF CONSIDERABLE PARLIAMENTARY CRITICISM. REPLYING TO  
MOST RECENT CRITICISM BY OFFICIAL OPPOSITION LEADER MUSTAFA  
KAMAL MURAD, WHO HAD FOUND GOVT STATEMENT LONG ON HOPES AND  
SHORT ON SUBSTANCE, PRIMIN SALIM ON DEC 26 CLAIMED GOVT  
MAKING NO IMPOSSIBLE PROMISES BUT BASING ITS GOALS ON WHAT  
EGYPT COULD BE EXPECTED TO ACHIEVE IN LIGHT OF ITS POTENTIAL.  
GOE WILL NOW UNDERTAKE IMPORTANT MEASURES "WHICH WILL  
ENABLE EGYPT TO OVERCOME ITS ECONOMIC DIFFICULTIES,"  
ALTHOUGH PEOPLE HAVE RIGHT TO KNOW FACTS ABOUT DIFFICULT  
ECONOMIC SITUATION. SALIM ADDED THAT "EGYPT HAS LOWEST  
POSSIBLE INFLATION RATE IN WORLD "AND DENIED OPPOSITION CHARGE  
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THAT ESSENTIAL COMMODITY PRICES RISING, NOTING THAT GOVT  
HAD SPENT LE 640 MILLION ON SUBSIDIES IN 1976 AND WOULD BE  
SPENDING LE 540 MILLION FOR SAME PURPOSE NEXT YEAR. (COMMENT  
LE 640 MILLION FIGURE IS HIGHEST OF MANY WE HAVE HEARD FROM  
GOE AND NEW AMOUTN OF LE 540 MILLION FOR 1977 IS FAR MORE  
THAN LE 475 MILLION ANNOUNCED IN POLICY STATMENT-REF B).

ALTHOUGH WE ARE UNABLE TO CITE PRECISE FIGURES AT THIS TIME, SALIM'S PROJECTION FOR 1977 MAY REPRESENT A SLIGHT RISE OVER CURRENT COMMODITY SUBSIDIES. IT IS GOOD INDICATION, IN ANY CASE, THAT GOE REMAINS LEERY OF IMPLEMENTING IMF RECOMMENDATIONS FOR SUBSTANTIAL CUTS IN SUBSIDY ALLOCATIONS.)

2. NOTING CRITICISM FROM OPPOSITION OF CONTINUED EXISTENCE OF STATE OF EMERGENCY ALLOWING RULE BY DECREE, SALIM INDICATED MOMENT PREMATURE FOR ITS ABROGATION. LAW SHOULD NOT BE CANCELLED, LEST IT BE THOUGHT THAT EGYPT "HAS GIVEN UP TASK OF LIBERATING TERRITORY FOR SAKE OF WHICH THIS LAW WAS PROMULGATED." PRIMIN ADDED THAT EMERGENCY LAW HAD NOT HURT ANYONE NOR RESULTED IN ILLEGAL DETENTION OF ANY CITIZENS. HE EXPRESSED HOPE THAT 1977 WOULD SEE END OF NEED FOR STATE OF EMERGENCY. SALIM WAS FOLLOWED AS SPEAKER BY INFLUENTIAL INDEPENDENT EL-QADI WHO AGAIN STRESSED NEED FOR TERMINATING STATE OF EMERGENCY", WHICH ENTITLED THE GOVT TO TAKE MEASURES CONTRARY TO LAW."

3. COMMENT: THIS EXCHANGE IN PEOPLE'S ASSEMBLY CONTINUES SERIES OF WELL PUBLICIZED PARLIAMENTARY CRITICISM OF GOE POLICY. WHILE PEOPLE'S ASSEMBLY HAS NOT YET BECOME DETERMINAT OF POLICY, IT ONE MORE SIGN THAT IT TAKING ITSELF MORE SERIOUSLY AS POTENTIALLY SIGNIFICANT CONTRIBUTOR TO GOVT DECISION MAKING (PARA 10 REF A). GOE ENCOURAGING IDEA OF REVITALIZED NATIONAL ASSEMBLY AS PART OF SADAT'S POLITICAL LIBERALIZATION. AHRAM EDITORIALIZED DEC 27 THAT REPLY TO GOVT POLICY STATEMENT "LAYS DOWN GOOD TRADITION" OF CONSTRUCTIVE CRITICISM WHICH SHOULD BE VIEWED AS LEGITIMATE PARTICIPATION IN ACHIEVING NATIONAL GOALS.  
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EILTS

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Copy:** SINGLE  
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